



**RBA.**  
**CITY OF AUSTIN**  
**RECOMMENDATION FOR BOARD ACTION**

**AGENDA ITEM NO 2**  
**AGENDA DATE 1/10/08**  
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**SUBJECT.** Approve the negotiation and execution of a loan to the GUADALUPE NEIGHBORHOOD DEVELOPMENT CORPORATION, under the Rental Housing Development Assistance Program in an amount not to exceed \$60,000, in compliance with applicable affordable housing general obligation bond financing requirements and performance goals, to assist in the construction of one unit of affordable rental housing in the Guadalupe Neighborhood at 904-B Lydia Street

**AMOUNT & SOURCE OF FUNDING:** Funding is available in the Fiscal Year 2007-2008 Austin Housing Finance Corporation budget allocation under the Rental Housing Development Assistance Program using proceeds from General Obligation Affordable Housing Bonds

**FISCAL NOTE** There is no unanticipated fiscal impact A fiscal note is not required

**REQUESTING**  
**DEPARTMENT.** Austin Housing Finance Corporation

**DIRECTOR'S**  
**AUTHORIZATION:**\_\_\_

**FOR MORE INFORMATION CONTACT** Paul Hilgers, Executive Director, Austin Housing

Finance Corporation, 974-3108

**PRIOR COUNCIL ACTION** N/A

**BOARD AND COMMISSION ACTION.** N/A

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Approval of funding will facilitate the construction of one new affordable single-family rental unit at 904-B Lydia Street in the Guadalupe Neighborhood. The proposed unit will be a one-bedroom, secondary apartment measuring approximately 610 square feet built on property currently owned by the Guadalupe Neighborhood Development Corporation (GNDC) at 904 Lydia Street. The rental unit will be made available to persons whose yearly household incomes do not exceed 30% of the Austin area's Median Family Income (currently, \$17,100 per year for a two-person household).

The project is part of an ongoing collaborative effort between GNDC and the University of Texas' School of Architecture Center for Sustainable Design. A newly created non-profit organization, Austin Community Design and Development Center, is also assisting with the project. The goal is to produce a very affordable, highly sustainable, energy efficient secondary

apartment that will serve as a prototype for other such units that can be developed in Guadalupe or other neighborhoods throughout Austin

The request for funding was received in response to a Notice of Funding Availability under the Rental Housing Development Assistance (RHDA) Program for Affordable Housing General Obligation (GO) Bond funding. The Housing Bond Review Committee reviewed the funding application and concurs with the staff recommendation to approve funding. In accordance with RHDA GO Bond Program Guidelines, the unit must remain affordable for at least 40 years, however, GNDC has committed to a 99-year affordability period for this rental unit. The unit is also subject to S M A R T Housing<sup>TM</sup> standards and applicable environmental review and fund release requirements.

Following Board approval, a RHDA Program loan will be negotiated and executed with GNDC in an amount not to exceed \$60,000 for a term of 99 years at zero percent interest, or such other terms as determined necessary and appropriate to finance the project. Repayment of the loan will be deferred on a yearly basis and forgiven at the end of the 99-year period contingent upon compliance with the loan agreement. Estimated sources and uses of funds for the project are as follows:

<u>Sources:</u>		<u>Uses:</u>	
UT's Center for Sustainable Design	\$ 30,000	Predevelopment	\$ 6,175
Austin Community Design & Development Center	4,500	Land	40,000
Owner equity	51,500	Construction	90,000
RHDA funds	60,000	Soft costs	9,825
<b>Total</b>	<b>\$146,000</b>	<b>Total</b>	<b>\$146,000</b>

Performance measures associated with the project are as follows:

- Develop one, one-bedroom single-family rental housing unit that is affordable to persons with a yearly household income of no more than 30% of MFI
- Ensure the unit is made accessible for persons with mobility, hearing and vision disabilities
- Complete the project in accordance with applicable S M A R T Housing<sup>TM</sup> standards

GNDC is a non-profit 501(c)(3) organization and is certified by the City of Austin as a Community Housing Development Organization. GNDC was established in 1981 to provide affordable housing to low and moderate-income families in the Guadalupe neighborhood. Since 1981, the GNDC has developed 128 units of affordable housing, including 45 units of rental housing.

The requested funding is available in the AHFC Fiscal Year 2007-2008 budget allocation and the request is consistent with the City of Austin's currently approved Consolidated Plan and the AHFC's strategy to provide assistance through below market rate financing for the development of affordable rental housing for low- and moderate-income households and persons with special needs.